

SENATE BILL 1791
By Herron

AN ACT to amend Tennessee Code Annotated, Title 45 and Title 47, Chapter 18, relative to credit services businesses.

WHEREAS, the general assembly finds that high levels of consumer credit are leading some Tennesseans to seek advice from credit counseling agencies, also known as credit services businesses; and

WHEREAS, many credit services businesses provide a valuable service for Tennesseans; and

WHEREAS, some credit services businesses may be providing misleading or deceptive information to consumers or charging excessive fees which are affecting the reputation of other reputable credit services businesses; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 45, Chapter 1, Part 1, is amended by adding the following language as a new, appropriately designated section:

Section_____.

(a) The department of financial institutions, division of consumer affairs, shall study the incidence of consumer complaints in Tennessee related to the quality of the advice or services provided by credit services businesses, including advice related to debt management plans, the variety of options available to consumers other than debt management plans, the effective performance of services for which consumers are compensating the credit services businesses, and the level of fees charged by such businesses. The division shall also study the differences, if any, between consumer credit counseling services provided by for profit and nonprofit credit services businesses.

(b) The division shall report the results of this study to the governor and the speakers of the respective houses of the general assembly by January 1, 2008. The report shall include recommended actions, if any, for regulation of credit services businesses.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.